

RESOLUTION NO: _____

STATE OF CALIFORNIA

**STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

**RESOLUTION REGARDING DIRECTION TO EXECUTIVE DIRECTOR OF
PROPOSED MODIFICATIONS TO LOAN DOCUMENTS UNDER THE
CLEAN ENERGY BUSINESS FINANCING PROGRAM**

WHEREAS, the State Energy Resources Conservation and Development Commission (Energy Commission) enters into contracts with one or more financial advisors for financial advising services to help the Energy Commission implement and administer the Clean Energy Business Financing Program (CEBFP or Program), and

WHEREAS, from time to time, the Energy Commission is asked by Program borrowers to make modifications to the specialized Program loan documentation applicable to executed Program loans, including but not limited to Program borrowers acquiring additional debt and new and/or modified Inter-creditor Agreements among the borrowers' various lenders in order to allow said borrowers to take advantage of new business opportunities that may advance or expand their clean energy business enterprise, and

WHEREAS, the Energy Commission reasonably relies on its contracted financial advisors to make recommendations to the Energy Commission concerning any and all additional debt requests and/or proposed modifications to said proposed Program's specialized loan documentation, and

WHEREAS, Energy Commission financial staff do not have the appropriate specialization in private-sector financing to thoroughly evaluate the above mentioned requests and modifications, and

WHEREAS, the Energy Commission is not required to maintain, nor has it ever maintained, specialized in-house financial expertise appropriate to thoroughly evaluate the legal and commercial reasonableness of such additional debt requests and/or specialized loan documentation modification requests, and

WHEREAS, the Commission therefore has concluded that it is reasonable, prudent, and in the best interests of the people of the State of California to rely on the recommendation of its contracted financial advisors with respect to such loan modification requests,

THEREFORE BE IT RESOLVED,

That the Energy Commission directs the Energy Commission's Executive Director, or his or her designee, to approve or disapprove (1) Program borrower requests to acquire additional debt and (2) proposed amendments and/or modifications to a CEBFP loan award Agreement and/or its associated contract documentation, including but not limited to any proposed Inter-creditor Agreements connected with the loan, based on the written recommendation of the Energy Commission's contracted financial advisor, as long as said amendments or modifications do not increase the amount of the award, change the scope of the project, or modify the purpose of the Agreement. If the Executive Director questions the recommendation of the financial advisor or otherwise thinks it is in the best interest of the Commission, instead of approving or disapproving these changes, the Executive Director, or his or her designee, shall bring these items to a Commission Business Meeting for the Commission to consider.

Harriet Kallemeyn, Secretariat